

GREEN SHEET REDIGEST

HB 796

2022 Regular Session

Willard

FUNDS/FUNDING: Establishes the Small Business Innovation Fund.

DIGEST

Present law provides for the La. Economic Development Corporation (corporation) within the Department of Economic Development (department) and provides for the powers and authority of the corporation.

Present law provides that the corporation shall serve as the review board for certain financial assistance programs for La. small businesses. Further provides that the corporation shall provide support for certain activities by La. businesses to generate commercial products or services by providing matching funds to businesses that received federal Small Business Innovative Research Phase I grant funds.

Proposed law changes present law and provides that the corporation shall provide support for activities by La. businesses to generate commercial products or services by providing funds to businesses that applied for or received federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grant funds.

Proposed law creates the "Small Business Innovation Fund" (fund), as a special fund in the state treasury fund. Further provides that monies in the fund shall be used by the department to provide financial assistance to certain La. businesses applying for SBIR or STTR federal grants. Requires the corporation, working in conjunction with the La. State University A&M La. Technology Transfer Office, to administer awards to selected applicants. Further requires the La. Technology Transfer Office to establish criteria for grant eligibility, provide for an application process, and select eligible applicants to receive the grants.

Proposed law requires compliance with present constitution relative to the Bond Security and Redemption Fund prior to monies being deposited into the fund. Further requires monies in the fund to be invested in the same manner as monies in the general fund. Further provides that interest earned on investment of monies be credited to the fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law provides up to \$150,000 shall be annually disbursed from the fund as follows:

- (1) Up to \$60,000 shall be disbursed to eligible applicants to assist in the completion of Phase 1 applications for SBIR or STTR federal grants. These grants shall not exceed \$5,000 per business.
- (2) Up to \$60,000 shall be disbursed to eligible applicants to assist in the completion of Phase 2 applications for SBIR or STTR federal grants. These grants shall not exceed \$10,000 per business.
- (3) Up to \$30,000 shall be appropriated to the department for the purpose of technical assistance, outreach programs, and program-related promotions.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 51:2312(A)(1); adds R.S. 51:2401)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Change certain references from the La. Economic Development Corp. to the Dept. of Economic Development.
2. Add an eligibility requirement that the federal application provided for in present law is submitted or received after Jan. 1, 2023.
3. Move the duty of administering the fund from the La. Economic Development Corp. and the La. Technology Transfer Office to the Dept. of Economic Development.
4. Modify the disbursement amounts to allow for a lesser grant than the previously mandated disbursement amounts.
5. Provide that the disbursement of certain funds is to occur annually.
6. Allow the department to use certain monies for technical assistance.
7. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Make effectiveness of proposed law subject to appropriation.
2. Remove provision requiring the La. Economic Development Corp. to administer the fund.
3. Add provision requiring La. Dept. of Economic Development to use the monies in the fund for awarding grants pursuant to proposed law and requiring the La. Economic Development Corp. to work with the LSU La. Technology Transfer Office to administer the awards to selected grant applicants.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Change effective date from effective upon appropriation to effective upon signature of the governor.